

FISCAL NOTE

Bill #: HB0254

Title: Replace conservation license with recreation license

Primary Sponsor: Hedges, D

Status: As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
Expenditures:		
State Special Revenue	\$21,131	\$42,262
Revenue:		
State Special Revenue	(\$785,787)	(\$1,571,574)
Other Trust Revenue	\$242,489	\$484,978
Net Impact on General Fund Balance:	\$0	\$0

- | | |
|---|---|
| <input type="checkbox"/> Significant Local Gov. Impact | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input checked="" type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached | <input checked="" type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

Department of Natural Resources and Conservation

- Under this proposal, the current Wildlife Conservation License and State Parks Pass and their associated fees administered through the Dept. of Fish, Wildlife and Parks (FWP), as well as the current State Land Recreational Access License and associated fees administered through the Dept. of Natural Resources and Conservation (DNRC) would no longer be required. Instead, purchase of a Recreational and Parks License would be required for persons to access state trust land for activities contained within the definition of "general recreational use" and/or for overnight use in state parks. Additionally, it would be required for all licensed outfitters, as well as professional guides. The fee proposed for that license is \$25.
- Projected total number of licenses is 61,530 as follows:
 - FWP sold a total of 19,791 State Parks Passes during the license period March 1, 2002, through February 28, 2002.
 - The latest figures for the number of licensed professional guides and outfitters was for calendar year 2002 (January 1 to December 31). During this period, there were 700 outfitter licenses and 1,950 guide licenses.

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- c. DNRC sold 39,089 recreational use licenses for the license period from March 1, 2001 through February 28, 2002. The trusts received \$314,912 and \$50,033 was deposited into the recreational use account.
3. It is not possible to predict how many recreationists currently purchase all three licenses. However, the Recreational and Parks License fee of \$25 reflects a 150 percent increase in cost for those purchasing the general recreational use license and would likely impact the sales for that purpose, resulting in a reduction in the license numbers overall.
4. Section 6 (2) directs that \$13 of the \$25 received for each Recreational and Parks License sold be apportioned on a pro rata basis to the land trusts, in proportion to the respective trust's percentage contribution to the total of all state land trusts and \$1.50 be deposited into the state land recreational use account and used accordingly. Due to the increase in revenues generated by this bill, the state land recreational use account will receive slightly more money for operating expenses associated with recreational uses (weed control, improvements). Therefore, the expenditures identified under state special revenue would need to be included in HB 2.
5. Projected revenue for trusts: 61,530 licenses @ \$13.00 = \$799,890 (total projected revenue to trusts) less the \$314,912 that the trusts received in FY 2002, would result in an increase of \$484,978 for a full year. The state land recreational use account would receive an increase based on 61,530 licenses @ \$ 1.50 = \$92,295 less \$50,033 deposited in the account in FY 2002 to total \$42,262.
6. The effective date for this proposal is March 1, 2004. Therefore, FY 2004 would reflect four months revenues and expenditures, predicting 50 percent sales for identified users. The bill would be in full effect by FY 2005. The annual increase in revenue projected would be for FY 2004: \$242,489 trust accounts and \$21,131 state land recreational use account; FY 2005: \$484,978 trust accounts and \$42,262 state land recreational use account.
7. The trust revenue will be apportioned on a pro rata basis to the land trust, in proportion to the respective trust's percentage of acreage in the total acreage of all state land trust.

Department of Fish, Wildlife and Parks

8. The department will no longer sell resident or nonresident conservation licenses. In license year (LY) 2001, the department sold 227,923 resident conservation licenses at \$4 and 170,688 non-resident conservation licenses at \$7. This generated \$2,106,508 in license revenue that will no longer be collected.
9. The recreation use permit is changed to a Recreation and Park License which \$10 is earmarked for acquisition, development or maintenance of State Parks and Fishing Access Sites.
10. This Recreation and Parks License will allow the holder to enter all state parks.
11. In LY 2001, the department sold 39,089 recreation use permits and generated \$393,090 that was transferred to DNRC.
12. In LY 2001, the department sold 12,169 park passports of all varieties and generated \$253,502.
13. It is not possible to predict how many people who paid day use fees would purchase the Recreation and Parks License.
14. A 25 percent buyer resistance to the new Recreation and Parks License is projected, resulting in sales of 29,250. (39,000 x 75%) This will generate \$292,500 for the department, but the department will no longer sell park passports, resulting in a \$253,000 loss in revenue.
15. In LY 2001 39,795 residents 62 and over and youth between 12-15 hunted birds and fished with only a conservation license. Those 62 and over would be required to purchase full-price licenses, while those between 12-15 would be required to purchase half-priced licenses to hunt birds or fish. FWP estimates that youth and seniors hunters were split 50/50 percent and that 80 percent of each group would purchase a license at the new price. This will generate an additional \$453,674.
16. Due to a license year that begins March 1st, FWP estimates that only 50 percent of the licenses will be purchased prior to June 30th (the end of FY 2004).

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FISCAL IMPACT:

Department of Natural Resources and Conservation

	<u>FY 2004</u> <u>Difference</u>	<u>FY 2005</u> <u>Difference</u>
<u>Expenditures:</u>		
Operating Expenses	\$21,131	\$42,262
<u>Funding of Expenditures:</u>		
State Special Revenue (02)	\$21,131	\$42,262
<u>Revenues:</u>		
State Special Revenue (02)	\$21,131	\$42,262
Other Trust Revenue	<u>242,489</u>	<u>484,978</u>
TOTAL	\$263,620	\$527,240

Department of Fish, Wildlife and Parks

Revenues:

State Special Revenue (02)		
General License Account	(\$826,417)	(\$1,652,834)
Parks Miscellaneous Account	<u>19,499</u>	<u>38,998</u>
TOTAL	(\$806,918)	(\$1,613,836)

Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

Department of Natural Resources and Conservation

State Special Revenue (02)		
Other School Trusts	\$242,489	\$484,978

Department of Fish, Wildlife and Parks

State Special Revenue (02)		
General License Account	(\$826,417)	(\$1,652,834)
Parks Miscellaneous Account	<u>19,499</u>	<u>38,998</u>

LONG-RANGE IMPACTS:

Department of Natural Resources and Conservation

1. The trust beneficiaries would receive an increase in revenues and the department would have additional revenue for uses authorized in the recreational use account, §77-1-808, MCA.

TECHNICAL NOTES:

Department of Fish, Wildlife and Parks

1. In Sec. 10, the bill replaces 'wildlife conservation' license with 'hunting, fishing and trapping' license. Sec. 87-2-202, MCA still states 'hunting, fishing or trapping' license must be sold upon written application – no reference to price or distribution of funds.
2. Effective date should be the beginning of a license year – March 1, 2004.